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GENERAL

1. Analysis of Soviet press treatment of Germany--US
Ambassador Kirk in Moscow expresses the opinion that there is a "striking similarity" between the Soviet Union's propaganda treatment of the first anniversary of the German Democratic Republic (GDR) and the usual Soviet press treatment of Satellite state anniversaries. Kirk adds that an examination of the Soviet press treatment of the GDR anniversary leads him to believe that the Kremlin is not overly optimistic in regard to the German problem. As possible clues to the Kremlin's thinking, Kirk cites the lack of any mention in the Soviet press of the recent Western guarantee of West German territorial integrity and the emphasis on economic successes of the East German regime.

EUROPE

2. GERMANY: Exportation of Ruhr coal being resisted--US
Representative Livengood on the International Authority for the Ruhr (IAR) reports that the West Germans are showing an uncompromising attitude without precedent in the allocation of Ruhr coal production. Livengood says the Germans are clearly unwilling to accept an "equal sharing" of Ruhr coal among the nations represented on the International Authority for the Ruhr. The Germans base their position on an increase in internal needs resulting from the stepped-up steel production following the recent decisions of the US, UK, and French Foreign Ministers. Livengood believes the Germans are demanding, as the price for cooperating in the European rearmament program, the right to determine their internal coal requirements without interference from the IAR.

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(CIA Comment: The Germans will exert every effort to use the impending coal shortage and the need for increased steel production for rearmament to press for the elimination of the IAR as one of the major steps in recovering control over their own economic affairs. This new German attitude is also reflected in the recent increase in German demands during the Schuman Plan negotiations.)

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FAR EAST

3. INDOCHINA: Vietnamese to insist on greater independence--

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[REDACTED] (a) Vietnamese Premier Tran Van Huu will be forced to resign because of his failure to obtain the concessions sought by the Vietnamese at the Pau Conference; and (2) Vietnamese consider the Pau Conference a complete failure because the principal issue of customs revenue has not been resolved to their satisfaction. (The Pau Conference was called to reach agreement on the administrative relationships in Indochina between France, Vietnam, Cambodia and Laos.)

(CIA Comment: There is considerable evidence to support the above views. The absence from Vietnam of Bao Dai and several of his principal ministers during the protracted and thus far fruitless Pau negotiations has already seriously hampered both the development of a working Vietnamese administration and the implementation of US economic and military aid programs for Indochina. If Bao Dai and his government leaders continue to stay in France, the possibility of a successful solution of the Indochinese problem will be seriously reduced.)

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4. INDONESIA: Ambonese resisting Indonesian troops--The US representative on the UN Commission for Indonesia reports from Jakarta that he has information indicating the Indonesian military action against Ambon (where the natives have declared themselves independent) is not going well. According to the US representative's sources, Indonesian Government troops have been driven back slightly and, although Ambonese troops may be forced to surrender eventually because of food and ammunition shortages, they are proving to be superior fighters.

(CIA Comment: Large numbers of Ambonese have been used for years in the Dutch forces in Indonesia because of their excellent fighting qualities. In the agreement to disband Dutch forces in Indonesia, the Ambonese were given the choice of joining the Indonesian army or being repatriated. About 20,000 repatriates are now located in camps throughout Java. Although many of these 20,000 are disarmed, they are still capable of causing serious disturbances.)

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